

AMENDED IN ASSEMBLY APRIL 9, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 2022

Introduced by Assembly Member Medina

February 20, 2014

An act to amend ~~Section 4531~~, Sections 4532, 4533, and 4534 of, and to repeal Section 4534.1 of, the Government Code, relating to public contracts.

LEGISLATIVE COUNSEL'S DIGEST

AB 2022, as amended, Medina. Public contracts: Target Area Contract Preference Act.

The Target Area Contract Preference Act establishes a preference for contracts for goods *or services* that are in excess of \$100,000 for contractors that certify that a specified percentage of the hours worked on a contract will be performed on a worksite in a distressed area, as defined.

~~This bill would increase the dollar threshold of those contracts to \$250,000. This~~

This bill would redefine a distressed area to be a census tract that is determined under a specified statute to be in the top quartile of census tracts for highest unemployment and poverty. The bill would prohibit these preferences from being used to award any contract to a certified small business or disabled veteran business enterprise.

Existing law establishes a preference for contractors who certify that they will use a specified amount of persons with a high risk of unemployment, as defined, on a contract.

This bill would redefine persons with a high risk of unemployment to include, but not be limited to, a person that has been unemployed for

a specified period of time, a veteran who served in active duty since September 11, 2001, a person who has been incarcerated, or a person who receives benefits of the Supplemental Nutrition Assistance Program.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 ~~SECTION 1. Section 4531 of the Government Code is amended~~
2 ~~to read:~~

3 ~~4531. The Legislature hereby declares that it serves a public~~
4 ~~purpose, and is of benefit to the state, to encourage and facilitate~~
5 ~~job maintenance and job development in distressed and declining~~
6 ~~areas of cities and towns in the state. It is the intent of the~~
7 ~~Legislature to further these goals by providing appropriate~~
8 ~~preferences to California based companies submitting bids or~~
9 ~~proposals for state contracts to be performed at worksites in~~
10 ~~distressed areas by persons with a high risk of unemployment when~~
11 ~~the contract is for goods or services in excess of two hundred fifty~~
12 ~~thousand dollars (\$250,000).~~

13 ~~SEC. 2.~~

14 ~~SECTION 1. Section 4532 of the Government Code is amended~~
15 ~~to read:~~

16 ~~4532. As used in this chapter:~~

17 ~~(a) “California-based company” means either of the following:~~

18 ~~(1) A business or corporation whose principal office is located~~
19 ~~in California, and the owners, or officers if the entity is a~~
20 ~~corporation, are domiciled in California.~~

21 ~~(2) A business or corporation that has a major office or~~
22 ~~manufacturing facility located in California and that has been~~
23 ~~licensed by the state on a continuous basis to conduct business~~
24 ~~within the state and has continuously employed California residents~~
25 ~~for work within the state during the three years prior to submitting~~
26 ~~a bid or proposal for a state contract.~~

27 ~~(b) “Distressed” means a census tract determined by the~~
28 ~~Department of Finance, pursuant to Section 13073.5, to be in the~~
29 ~~top quartile of census tracts for having the highest unemployment~~
30 ~~and poverty in the state. If the designated census tract is~~
31 ~~predominately residential, the immediately adjacent census tract~~

1 that is a predominately commercial and industrial tract shall also
2 be a distressed area for the purpose of this chapter.

3 (c) “Person with a high risk of unemployment” includes, but is
4 not limited to, the following:

5 (1) A person who is currently unemployed and has been
6 unemployed for more than 200 days.

7 (2) A person who has been unemployed for greater than 200
8 days within the last 365 days.

9 (3) Veterans who served on active duty since September 11,
10 2001.

11 (4) A person who has been incarcerated.

12 (5) A person who receives benefits of the Supplemental
13 Nutrition Assistance Program.

14 (d) “Worksite” means either of the following:

15 (1) A business located within a distressed area.

16 (2) A business located in directly adjoining census tract blocks
17 that when attached to the distressed area forms a contiguous
18 boundary. A company that intends to perform the work at a
19 worksite described in this paragraph shall submit a map with the
20 bid or proposal identifying where the worksite is located.

21 ~~SEC. 3.~~

22 *SEC. 2.* Section 4533 of the Government Code is amended to
23 read:

24 4533. Whenever the state prepares a solicitation for a contract
25 for goods in excess of ~~two hundred fifty thousand dollars~~
26 ~~(\$250,000)~~, *one hundred thousand dollars (\$100,000)*, except a
27 contract in which the worksite is fixed by the provisions of the
28 contract, the state shall award a 5-percent preference to
29 California-based companies who demonstrate and certify under
30 penalty of perjury that of the total labor hours required to
31 manufacture the goods and perform the contract, at least 50 percent
32 of the hours shall be accomplished at an identified worksite or
33 worksites located in a distressed area. *This preference shall not be*
34 *used to award any contract pursuant to Section 14838.5, relating*
35 *to a certified small business or a disabled veteran business*
36 *enterprise.*

37 ~~SEC. 4.~~

38 *SEC. 3.* Section 4534 of the Government Code is amended to
39 read:

1 4534. (a) In evaluating proposals for contracts for services in
2 excess of ~~two hundred fifty thousand dollars (\$250,000)~~ *one*
3 *hundred thousand dollars (\$100,000)*, except a contract in which
4 the worksite is fixed by the provisions of the contract, the state
5 shall award a 5-percent preference on the price submitted by
6 California-based companies who demonstrate and certify under
7 penalty of perjury that not less than 90 percent of the total labor
8 hours required to perform the contract shall be accomplished at
9 an identified worksite or worksites located in a distressed area.
10 *This preference shall not be used to award any contract pursuant*
11 *to Section 14838.5, relating to a certified small business or a*
12 *disabled veteran business enterprise.*
13 (b) Where a bidder complies with the provisions of subdivision
14 (a), the state shall award the additional preferences as set forth in
15 Section 4533.1 as appropriate.
16 ~~SEC. 5.~~
17 ~~SEC. 4.~~ Section 4534.1 of the Government Code is repealed.